



### Weekly Recap

This week, investors were cautious ahead of key economic data releases, including GDP growth and personal consumption expenditures. Sentiment was hampered by rising interest rates and a potential recession but was also encouraged by some positive economic data. GDP growth for the third quarter came in at 4.9%, which was above expectations of 3.8%. Personal consumption expenditures also rose in September, which is a sign that consumers are still spending despite rising inflation. Other notable economic data releases this week included the S&P flash U.S. services PMI and manufacturing PMI, which both came in above expectations. New home sales also beat, rising to 759,000 units in September. There were also a number of important corporate earnings announcements this week. The reports were generally in line, but there were some notable disappointments. In reaction to these earnings and the potential for higher-for-longer rates, the S&P finished the week down 2.53%, with the Nasdaq and Dow Jones, down 2.62% and 2.14%, respectively. Next week, investors will be closely watching the Federal Reserve as they are set to meet, looking for any guidance on the rate schedule going forward. The nonfarm payroll report on Friday, as well as corporate earnings will also be an area of focus during a busy week for markets.

### Key Thought for The Week

Yields on the U.S. 10-year Treasury bond have been exceptionally volatile over the last two weeks trading back-and-forth in a 4.70% to 5.00% range. Yields broke above 5% briefly. While the dramatic lift in yields from this summer and recent interest rate fluctuations have been noteworthy, of equal significance has been the subtle shift in equity leadership that has accompanied the recent volatility. Large-cap defensive equities with predictable businesses, such as consumer staples and utilities, are typically sensitive to higher interest rates. These sectors have lagged the broader equity market significantly this year. In what may be an acknowledgment that the economy is late in its business cycle and investor sentiment has changed, staples and utilities outperformed their large-cap peers for the week, even on days when rates rose. The relative returns of these defensive equities have long been a good diversifier due to their modest correlation with the nominal performance of the market. Should investors begin to embrace the above-average dividend yields and predictability of staples and utilities, it could prove to be a marker of shifting risk awareness.

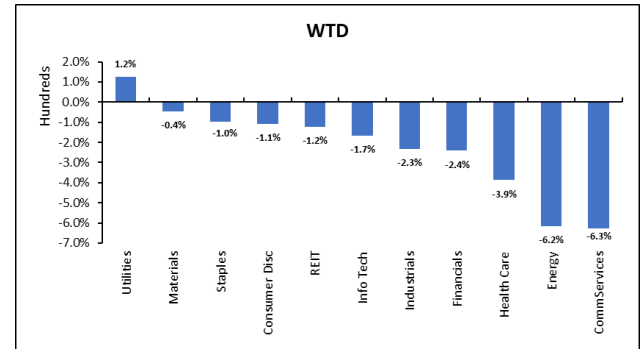
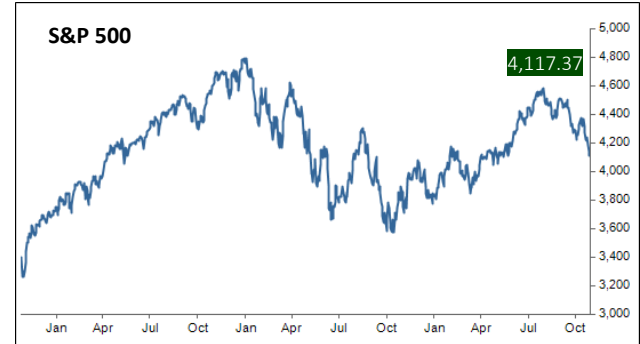
10/27/2023		Wk	Wk		YTD	12 Mos
	Close	Net	%	Div	%	%
STOCKS		Change	Change	Yield	Change	Change
DJIA	32,417.59	-709.69	-2.14	2.23	-2.20	1.20
S&P 500	4,117.37	-106.79	-2.53	1.68	7.24	8.14
NASDAQ	12,643.01	-340.80	-2.62	0.86	20.80	17.14
S&P MidCap 400	2,326.82	-66.46	-2.78	1.94	-4.26	-2.70
EAFE	1,942.89	-17.51	-0.89	3.44	-0.05	10.28
Emerging Market	910.91	-14.67	-1.58	3.01	-4.75	5.99

TREASURIES	Yield	FOREX	Price	Change
1-Year	5.41	USD/EUR	1.06	-0.27
2-Year	5.00	JPY/USD	149.66	0.13
5-Year	4.76	USD/GBP	1.21	-0.35
10-Year	4.84	CAD/USD	1.39	-1.12
30-Year	5.02			

Source: FactSet/Bloomberg

Sector - Large Cap	Close	Wk	WTD	MTD	QTD	YTD
		Net				
		Change				
<b>Defensive</b>						
Staples	703.80	-7.02	(1.0%)	(3.2%)	(3.2%)	(9.7%)
Health Care	1,434.27	-57.74	(3.9%)	(4.5%)	(4.5%)	(9.5%)
CommServices	212.97	-14.29	(6.3%)	(4.2%)	(4.2%)	33.6%
<b>Eco Sensitive</b>						
Consumer Disc	1,183.57	-12.82	(1.1%)	(6.4%)	(6.4%)	17.7%
Energy	648.58	-42.52	(6.2%)	(6.6%)	(6.6%)	(3.5%)
Industrials	815.80	-19.40	(2.3%)	(4.9%)	(4.9%)	(1.9%)
Info Tech	2,853.48	-48.51	(1.7%)	(1.8%)	(1.8%)	31.4%
Materials	471.83	-2.13	(0.4%)	(4.6%)	(4.6%)	(3.6%)
<b>Interest Rate Sensitive</b>						
Financials	522.93	-12.92	(2.4%)	(5.3%)	(5.3%)	(8.2%)
Utilities	298.27	3.65	1.2%	(0.3%)	(0.3%)	(16.8%)
REIT	202.79	-2.53	(1.2%)	(5.2%)	(5.2%)	(12.7%)

COMING UP NEXT WEEK		Consensus	Prior
10/31 Chicago PMI SA	(Oct)	45.2	44.1
10/31 Consumer Confidence	(Oct)	100.0	103.0
11/01 ISM Manufacturing SA	(Oct)	49.0	49.0
11/01 JOLTS Job Openings	(Sep)	-	9,610K
11/02 Durable Orders SA M/M (Final)	(Sep)	4.7%	4.7%
11/02 Factory Orders SA M/M	(Sep)	0.95%	1.2%
11/03 Hourly Earnings SA M/M (Preliminary)	(Oct)	0.30%	0.20%
11/03 Nonfarm Payrolls SA	(Oct)	182.5K	336.0K
11/03 Unemployment Rate	(Oct)	3.8%	3.8%
11/03 ISM Services PMI SA	(Oct)	53.2	53.6



### Russell Style Return

WTD	Value	Blend	Growth
Large	(2.55%)	(2.59%)	(2.62%)
Medium	(2.39%)	(2.67%)	(3.36%)
Small	(2.28%)	(2.60%)	(2.94%)

YTD	Value	Blend	Growth
Large	(3.68%)	8.24%	21.01%
Medium	(5.91%)	(2.70%)	3.03%
Small	(8.01%)	(5.94%)	(4.30%)